

Tuesday, 5 May 2009



Victorian Healthcare Association

For immediate release

State budget brings welcome rural health infrastructure investment but increases concern over ongoing funding

The peak body representing the public healthcare sector – the Victorian Healthcare Association – welcomed the announcement of funding for vital infrastructure for Victoria’s cash-strapped rural and regional health services, but expressed concern that funding to smaller services appears to have been unfairly targeted.

The Victorian Healthcare Association applauded the investment of \$156m across six sites to upgrade and expand the range of services provided to rural communities. The investments announced in the State Budget include funding at Bendigo (\$55m); Ballarat (\$20m); Geelong (\$30m); Warrnambool (\$26.2); Alexandra (\$19m); and Sunbury (\$6.4m). In spite of this investment, essential infrastructure needs remain unaddressed, with no certainty provided about when, if ever, the funds may flow.

The Victorian Healthcare Association say its warnings that rural Victoria’s health system is at a “tipping point” are being ignored by the Government.

The VHA’s chief executive, Mr Trevor Carr, said it is particularly disappointing that the State Government has failed yet again to devise a long-term strategic plan for the health system.

Its failure to commit to a 10-year service and capital investment plan means the current process of ad hoc grants will continue to see many rural health services spending large sums of money on repairs and maintenance of sub-standard buildings, at the expense of patient care.

“While we understand that we are in the midst of an economic crisis, it is clear the State Government has deemed it worthwhile to articulate a vision for and associated investment in other infrastructure projects, but not for the public healthcare sector.

“Yet the system is now at its limits with a recent VHA-commissioned Access Economics’ report showing that hospital emergency departments continue to lose money and core health infrastructure is rapidly depreciating and eating into patient care dollars - particularly in rural areas.

“With much of Victoria’s existing health infrastructure in rural Victoria nearing the end of its useful life what is needed is a comprehensive 10-year capital plan to align spending with need. A Health Plan for Victoria that is the equivalent of the State’s water plan and transport plan is required. This would recognise the critical importance of health services to all Victorians,” Mr Carr said.

While welcoming additional funds for much needed dental services at Ballarat, Moe and Sale, Mr Carr stated that this State Budget had done nothing to confirm the commitment of the Government to vital small rural communities.

The funding indexation provided to the small rural health services is indicated to be only 2.2 percent. This is well below wage and general inflation, and will bring undue stress on the capacity of these services.

Mr Carr expressed a high level of frustration at this outcome, as a commitment had been previously provided by the Minister for Health to review the funding model applying to small rural agencies.

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Mr Carr said the VHA's rural membership must now soldier on and do their best to meet the needs of their patients, despite the lack of strategic direction by the State Government and the unfair treatment of up to 67 services funded through the small rural funding model.

Demographic data predicts Victoria's population will grow by 40 per cent by 2036, and in the decade from 2006-2016 the number of Victorians aged over 65 years will increase by 31 per cent, further straining health services.

The VHA's 2009-10 submission to the Victorian budget had called for:

- **A renewed Rural Health Plan** to set timelines, capital commitments and plans for recurrent expenditure in the rural health sector
- **A strategic review of emergency services to safeguard the availability, sustainability and quality of 24-hour care at rural health services.** This plan should incorporate a new service plan for the use of emergency service paramedics in rural locations to overcome a critical shortage of after hours general practitioners; and renew the funding of emergency services to take account of the high cost of patient transfers to larger centres
- **Maternity funding** should be removed from the current casemix approach to funding to ensure the viability of local services
- **Maternity transfers** – all maternity transfers (including NETS) should be funded directly by the Department of Human Services, as is the case for trauma services
- **Regional self-sufficiency** – fast-tracking of investments in radiotherapy, coronary and renal care through capital and recurrent funding to ensure rural Victorians have access to the same services as their metropolitan counterparts
- **Residential Aged Care beds** – a commitment from the State Government to include growth in bed capacity in rural areas, where this sector is particularly important in providing care where the private sector is not always present
- **Workforce** - Investment in telemedicine and increased use of nurse practitioners to perform tasks traditionally undertaken by general practitioners

Mr Carr said the VHA will not give up the fight to improve the public healthcare system on behalf of all Victorians and will now focus on renewing its calls for a rethink on public health policy in the lead up to the next state election.

Established since 1938, the VHA promotes improvement of health outcomes for all Victorians from the perspective of its members that include public hospitals, rural and regional health services, community health services and aged care facilities.

For further information and Interviews, contact
 Trevor Carr
 CEO
 Victorian Healthcare Association
 (03) 9094 7777 or (0409) 362 382

